

Hamilton to Direct Development Agency

By GARNETT D. HORNER
Staff Writer

President Kennedy today named Fowler Hamilton as administrator of the new Agency for International Development.

Mr. Hamilton, a New York lawyer, had been widely reported as in line to succeed Allen Dulles as director of the Central Intelligence Agency, but his appointment to direct the foreign aid program came as a surprise.

White House Press Secretary Pierre Salinger told newsmen that George D. Woods, board chairman of the First Boston Corp., asked the President last week to withdraw his name from consideration for the AID position after criticism of reports that his appointment was likely.

Mr. Salinger also announced that Henry R. Labouisse, present director of the foreign aid program as head of the International Co-operation Administration, which is to be replaced by the Agency for International Development, would continue to serve the Government in another high executive post.

Thanked by President

The President sent Mr. Labouisse a letter warmly thanking him for his "most successful effort" in reorganizing the foreign aid agency—work that has made Mr. Labouisse very popular on Capitol Hill, where many thought he would be named to head the new agency. Mr. Hamilton, 50, has been active in the field of international law, especially since World War II.

He is a senior partner of the Wall street law firm of Cleary, Gottlieb, Steen & Hamilton, which also has offices in Paris and Brussels.

The White House said that since World War II Mr. Hamilton has made an average of two trips per year to Latin America, Western Europe, or Africa in the course of negotiating business arrangements between American and foreign firms or handling other international legal or business matters.

A native of Kansas City, Mr. Hamilton received a law degree from the University of Missouri in 1931 and then attended Oxford University for three years as a Rhodes Scholar.

Went to London

He practiced law in New York from 1935 until 1938, when he came to Washington as special assistant to the Attorney General. In 1942 when he directed the Jus-



FWLER HAMILTON

—AP Photo

tice Department's war frauds unit.

Mr. Hamilton went to London in 1943 as director of the American Embassy's economic warfare division. Several months later, he returned to Washington to head the enemy section of the Foreign Economic Administration.

At the end of the war, Mr. Hamilton was appointed chief legal counsel of the Justice Department. He left Government service in 1946 to join the law firm of which he is now senior partner.

In announcing Mr. Hamilton's appointment today, Mr. Salinger confirmed officially that Mr. Woods had been one of a number of people considered to head the new foreign aid agency.

Widespread opposition to the appointment of Mr. Woods, after word that he was being considered leaked out, developed among Democratic Senators who regarded him as a political liability because of his connection with the Dixon-Yates power controversy several years ago.

The First Boston Corp., headed by Mr. Woods, managed the financing for a planned private power plant at West Memphis, Ark., after the Eisenhower administration decided to curtail extension of Tennessee Valley Authority public power facilities. The plan subsequently was abandoned after Adolphe Wensell, another First Boston official, was revealed to have been a Budget Bureau consultant at the same time.

Mr. Salinger said Mr. Woods asked that his name be withdrawn from consideration for the post. He said Mr. Woods he left some of the statements

made regarding his prospective appointment would have made it difficult for him to serve.

Comment Refused

The press secretary refused to discuss what new executive position was in line for Mr. Labouisse. But it was understood that Mr. Labouisse would get some job other than that of deputy to Mr. Hamilton in AID.

When a reporter asked facetiously who would succeed Mr. Hamilton at CIA, in view of the widespread speculation previously that he was going to head the intelligence agency, Mr. Salinger refused to discuss the matter.

He did say that he knows of no change from what he has said in the past that Mr. Dulles expects to retire as CIA director later this year.

The new Agency for International Development, created under recently passed foreign aid legislation, has not yet been actually set up. It is expected to be established by executive order after final action on the foreign aid appropriations bill.

The position of director of the new agency pays an annual salary of \$22,500.

Played Leading Role

Mr. Labouisse played a leading role in the working out of the reorganization of the foreign aid program that will take effect with establishment of the new agency.

In his letter today to Mr.

Labouisse, the President said: "As we move into a new stage in our effort to put forward an effective foreign assistance program, I want to take this opportunity to tell you how deeply I appreciate your most successful effort in reorganizing the AID agency."

"Your work in transforming our new aid concepts into what has justifiably been called 'the best aid legislation in years' and a streamlined administrative structure has been in the highest tradition of the public service."

"This, I know, has been a most difficult task, and I am grateful for your effort in bringing to a successful conclusion this crucial stage in effectuation of the new aid concepts. I am pleased that you will continue to serve the administration in another high executive post."